



Trade Facts

From the Office of the United States Trade Representative
Washington, DC 20508

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Free Trade in the Americas: To Quito and Beyond

What Will Happen in Quito? On November 1, trade ministers of the 34 democracies in the Western Hemisphere will meet in Quito, Ecuador to advance negotiations aimed at completing the Free Trade Area of the Americas (FTAA) by January 1, 2005.

"The FTAA negotiations offer the U.S. the opportunity to lead the Americas toward stable and continuing economic growth, improved living standards, and higher paying jobs."

Ambassador Robert B. Zoellick

Why FTAA? With more than 800 million people throughout the Western Hemisphere, the FTAA will be the largest free-trade area in the world. In the 1990s, U.S. exports to Latin America grew faster than exports to any other region, but U.S. businesses, workers, farmers and ranchers still face many market access barriers in the region, such as import taxes that are often five times higher than U.S. import taxes.

Current Status. On May 15, 2002, negotiators began work on market access commitments in agriculture, industrial goods, services, investment and government procurement. Negotiations and discussions are also proceeding in intellectual property; subsidies, dumping and countervailing duties; competition policy and dispute settlement. Discussions on e-

commerce, smaller economies, and interaction with civil society are also taking place. The talks are about to enter a key phase of specific, concrete bargaining. For market access negotiations, countries will table their initial "offers" between December 15, 2002 and February 15, 2003, with requests for improvements to these offers due before June 15, 2003. Final revised offers are due by July 15, 2003.

U.S. Goals at Quito. Broadly, the United States will:

- seek to establish an FTAA trade capacity building program reflecting the different sizes and levels of development of economies;
- affirm a decision to negotiate tariffs from current applied rates, not from higher WTO bound rates;
- work to finalize the schedule and negotiating-group chairs for the next phase of talks;
- seek to continue the FTAA traditions of transparency and public participation;
- assume—in partnership with Brazil—the chair of the FTAA process leading up to 2005. In this role, the U.S. will propose to host the next FTAA Ministerial meeting in 2003 in Miami.

Helping Less Developed and Smaller Economies to Participate. As a foundation for the FTAA's Hemispheric Cooperation Program, we will seek adoption of a U.S. proposal to develop specific trade capacity building strategies. These plans will help countries of differing sizes and levels of development negotiate complex subjects, assist them in implementing FTAA commitments once agreed, and help them make the necessary adjustments to implement an effective FTAA.

Transparency and Public Participation. The full negotiating text of the FTAA was made available to the public last year (for a copy, go to www.ftaa-alca.org). The U.S. will seek agreement at Quito that the updated, revised negotiating texts again be made public. A civil society forum and a business forum will meet in Ecuador just prior to the Ministerial, and we hope that both groups will have the opportunity to present their recommendations to Ministers.